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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1951

No. 160

STRATEGICAL DEMOLITION TORPEDO COMPANY, INC.,

Petitioner,

vs.

THE UNITED STATES

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CLAIMS

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No. 160

STRATEGICAL DEMOLITION TORPEDO COMPANY, INC.,

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PETITION FOR WRIT OF CERTIORARI TO REVIEW JUDGMENT OF THE COURT OF CLAIMS

The petitioner respectfully shows to the Court, as follows:

Summary and Statement of Matter Involved

1. This matter involves a claim for compensation for infringement and use of a patented device belonging to petitioner. That prior to December 30, 1930, Joseph Barraja-Frauenfelder, William C. Magee, John H. Thomas, and Philip P. Krug were the true, original, first, and joint inventors of a certain new and useful improvement in a Strategical Demolition Torpedo not known or used by others in this country before their invention or discovery thereof, nor patented or described in any printed publica-

tion in this or any foreign country before their invention or discovery thereof, or more than two years prior to their application for patent in this country therefor, nor patented in any country foreign to the United States on an application filed by them, or their legal representatives, or assigns, more than twelve months prior to said application for patent in this country, and not in public use or on sale in this country for more than two years prior to their said application for patent in this country; and so being the true, original, first and joint inventors thereof, the said Joseph Barraja-Frauenfelder, William C. Magee, John H. Thomas, and Philip P. Krug made due application according to law for letters patent of the United States therefor, the said application being known and designated as Serial Number 505,654 filed December 30, 1930, renewed January 15, 1934, with request that if and when allowed, said patent be issued to plaintiff herein, and on the 21st day of August, 1934 upon the inventors' said application, and in conformance to law, Letters Patent in the name of the United States of America, dated August 21, 1934, No. 1,971,102, duly executed and recorded, sealed with the seal of the Patent Office and signed by the Commissioner of Patents, were duly granted to plaintiff herein pursuant to assignments executed to it for valuable consideration, whereby there was granted and secured unto plaintiff for a term of seventeen years from and after the 21st day of August, 1934 the exclusive right to make, use, and vend, throughout the United States and the territories thereof, the invention aforesaid, a description whereof in the words of the said inventors, was given in the schedule annexed to said Letters Patent and made a part thereof, and that petitioner is now the owner of the entire right, title, and interest in and to said letters patent, and to all rights of action, claims

and demands whatsoever for compensation for infringement and use thereof.

2. That the invention covered by and claimed in said letters patent No. 1,971,102 was not invented or discovered by petitioner, nor any of its assignors, while employed by the Government of the United States except that portion of the invention or discovery attributable to John H. Thomas, who at the time of the said invention or discovery was an employee of the Government of the United States. Neither your petitioner, nor any of its officers, directors, or stockholders, is now in the employ, or service of the Government of the United States.

3. Petitioner alleged in its petition below that the United States through its Navy Department under the Department of Defense did, since to wit, April, 1949, without the license or consent of petitioner and its assignors, use, infringe, and appropriate, and is now appropriating using and infringing the Strategical Demolition Torpedo contained in each of claims of said letters patent No. 1,971,102.

4. That the said unlawful use by defendant of petitioners' patent has resulted in great damages and loss, the amount of which is unknown but which will be shown at a trial of its case. The invention secured by said letters patent is of great utility and value to defendant.

5. The defendant below moved to dismiss the action brought by petitioner on the ground that the action is barred under 28 U. S. C. 1498.

Statute Involved

The statute involved is Section 1498 of the Judicial Code, 28 U. S. C. 1498, 63 Stat. 102, and the applicable provisions thereof relative to the questions here for review are as follows:

"Whenever an invention described in and covered by a patent of the United States is used or manufactured by or

for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture.

* * * * * * *

"This section shall not confer a right of action on any patentee who, when he makes such a claim, is in the employment or service of the United States, or any assignee of such patentee, and shall not apply to any device discovered or invented by an employee during the time of such employment or service. June 25, 1948, c. 646, 62 Stat. 942, amended May 24, 1949, c. 139, 87, 63 Stat. 102."

Questions Presented

1. Was the lower Court in error in granting the motion to dismiss before it had heard evidence as to the contributions and experiments and ideas of the three co-applicants, Joseph Barraja-Frauenfelder, William C. Magee and Philip P. Krug?

2. Can the application of the above mentioned parties for letters patent and the granting of a patent thereunder, be held null and void because another applicant thereunder was under a disability by virtue of said Statute?

3. If the statute is silent as to other applicants who join with a Government employee in making application, was the lower Court correct in reading into the statute their disqualification?

4. Was the Court correct in denying the motion by assuming, without proof upon the part of the defendant, that the device was discovered or invented by an employee of the United States during his Government service?

5. Was the Court correct in holding that the interest of the co-inventors are indivisible?

6. Was the Court correct in denying the remaining three-fourths interests in said patent from prosecuting the suit, when such parties never were in the employ of the Government?

7. Was the ruling of the Court in violation of the Fifth Amendment to the Constitution of the United States?

Reasons Relied On for Allowance of the Writ

The writ should issue for the following reasons:

1. Under Rule 38 5(c) and Rule 41 of this Court it is submitted here that the Court below decided a question of general importance and a question of substance relating to the construction or application of a statute of the United States, which has not heretofore been settled by this Court and should be settled by this Court.

2. There are no cases decided by any Court under this statute covering the questions here presented, save the decision of the Court below, in which the Chief Judge, filed a dissenting opinion as shown by the transcript of record filed herein.

3. The Court in granting the motion to dismiss assumed certain facts, which were not pleaded in the petition, e.g., it based its construction of the statute on such supposed facts as: " * * * if one of those who put their ideas together to produce the invention was having the benefit, during the gestation of the invention, of the skills and tools and ideas available in a Government shop". The petitioner was entitled to take proof on its petition in order to show the facts as to how the invention was created, and, as stated in the dissenting opinion of the Chief Judge the motion to dismiss should have been overruled and the facts obtained. At least it should have been overruled with the right to renew it after taking of evidence and upon final hearing of the case.

4. The statute provides that it shall not apply to any device discovered or invented by an employee during the time of such employment or service of the United States. It is clear that the statute extends only to a Government employee and not to the other three applicants who never were in Government service, and whose ideas, skill, and knowledge may have been the sole factors in granting the patent. The proof may very well show that Thomas only put his name on the application and had contributed nothing toward the invention. If so, should the other applicants be prevented from suing the Government merely because Thomas at the time was employed by the Government? We submit that the statute is not that far-reaching, and if it had contemplated a denial to file suit to such employee and any others with whom he joined in an application, it would have been so expressly stated therein. The lower Court therefore, read into this statute a disqualification of the other three applicants. We submit this is reversible error.

5. The interests of co-owners of a patent are divisible and not indivisible. Were it not so, a patent would be issued to only one applicant and not to all applicants. A co-owner of a patent can assign his interest and could not do so, if the patent was indivisible. In *United States* v. *Burns,* 19 U. S. 246, this Court recognized the divisibility of property in a patent, and held that although one co-owner was under a disability by virtue of a statute, the other co-owner had the right to bring suit. Consequently the other three co-owners in the case at bar had the right to maintain the action in the Court below, the other co-owner being disqualified in participating in any recovery therein. The separability of the interests in patents of enemy aliens held jointly with United States citizens was provided for by Executive Order No. 9567, Section 2 (d), dated June 8, 1945.

6. In *Standard Oil Company* v. *Clark,* (C.C.A.N.Y. 1947, 163 Fed. 2d 917, certiorari denied 68 S. Ct. 901, 902, 333 U.S. 873, 92 L. Ed. 1149) the Court held, in effect, that the interest which American corporations obtained under agreement by which American and German corporations divided between themselves the beneficial rights of ownership outside of Germany of German corporation patents, were "property interests" of sufficient substance that American corporations could maintain suit under sub-section (a) of this section to recover them from Alien Property Custodian who had seized patents under section 1, etc., of the aforesaid Executive Order, as against the contention of the Custodian that they were merely "executory contracts."

7. That property rights in a patent held by different individuals are severable has been established beyond question by the Trading with the Enemy Act enacted by the Congress during the First World War, by the President's Executive Order issued thereunder during the Second World War, and by decisions of the Courts thereunder. By act of October 6, 1917, Chap. 106, 40 Stat. 411, as amended, in section 6, (c) thereof, the Congress provided as follows:

> "If the President shall so require any money or other property including (but not thereby limiting the generality of the above) patents, copyrights, applications therefor, and rights to apply for the same, trademarks, choses in action, and rights and claims of every character and description owing or belonging to or held for, by, on account of, or on behalf of, or for the benefit of an enemy or ally of enemy not holding a license granted by the President hereunder, which the President after investigation shall determine is so owing or so belongs or is so held, shall be conveyed, transfered, assigned, delivered, or paid to or may be seized by the Alien Property Custodian; and all prop-

erty thus acquired shall be held, administered and disposed of as elsewhere provided in this act."

8. It appears, from the authorities cited above, that the Courts bar recovery under a Statute only to such persons who specifically fall within the Statutory disability; and no case has been found where the contrary has been held. The Burns case and the Alien Property statutes quoted above deal specifically with patent rights or property in a patent and recognize the severability of the interests of co-inventors and co-owners for purposes of recovery by one co-owner where other co-owners may be barred. To the same effect is a statement in Section 219 of the Title "Patents", 69 Corpus Juris Secundum page 733, ". . . one part owner may not prejudice the rights of his co-owners, as by a release of the right to recover damages for infringement." In support of this statement is cited the case of *Lalance, etc. Manufacturing Co.* v. *Haberman Manufacturing Co.,* (C.C.N.Y. 93 Fed. 197). A statutory bar of the right to recover damages for an infringement is directly analogous to a voluntary release of such right in its implication as to co-owners or co-inventors of the patent.

9. The remaining three-fourths owners of the patent were summarily deprived of their property rights in the patent by the dismissal of the action. Their property has been taken without due process of law. The lower Court arbitrarily denied their right to introduce evidence as to their respective invention, and the source thereof and that the defendant was using their property without just compensation. The letters patent issued under said application filed by the four applicants for the new invention conferred upon the other three applicants, who are not under disability to sue the defendant, an exclusive property in the patented invention, which cannot be appropriated,

or used by the defendant, without just compensation, *James* v. *Campbell*, 104 U. S. 358; 26 L. Ed. 786.

It is, therefore, respectfully requested that the writ should issue in the case at bar, in order that equity and justice may be done.

Respectfully submitted,

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